

Mr. THUNE, Mr. VITTER, Mr. VOINOVICH, Mr. WARNER, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 170

Whereas J. James Exon served in the United States Army Signal Corps from 1942–1945 and in the United States Army Reserve from 1945–1949;

Whereas J. James Exon served as Governor of the State of Nebraska from 1971–1979;

Whereas J. James Exon served the people of Nebraska with distinction for 18 years in the United States Senate where he was a proponent of a strong national defense and knowledgeable source on geopolitical matters;

*Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable J. James Exon, former member of the United States Senate.

*Resolved*, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved*, That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the Honorable J. James Exon.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 770. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table.

SA 771. Mr. JEFFORDS (for himself and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 772. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 773. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 774. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

SA 770. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 131, line 20, after “landfill gas,” insert the following: “livestock methane,”

SA 771. Mr. JEFFORDS (for himself, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 159, after line 23, add the following:

#### SEC. 211. RENEWABLE PORTFOLIO STANDARD.

Title VI of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended by adding at the end the following:

#### “SEC. 609. FEDERAL RENEWABLE PORTFOLIO STANDARD.

“(a) DEFINITIONS.—In this section:

“(1) BIOMASS.—

“(A) IN GENERAL.—The term ‘biomass’ means—

“(i) organic material from a plant that is planted for the purpose of being used to produce energy;

“(ii) nonhazardous, cellulosic or agricultural waste material that is segregated from other waste materials and is derived from—

“(I) a forest-related resource, including—

“(aa) mill and harvesting residue;

“(bb) precommercial thinnings;

“(cc) slash; and

“(dd) brush;

“(II) agricultural resources, including—

“(aa) orchard tree crops;

“(bb) vineyards;

“(cc) grains;

“(dd) legumes;

“(ee) sugar; and

“(ff) other crop by-products or residues; or

“(III) miscellaneous waste such as—

“(aa) waste pallet;

“(bb) crate; and

“(cc) landscape or right-of-way tree trimmings;

“(iii) animal waste that is converted to a fuel rather than directly combusted, the residue of which is converted to a biological fertilizer, oil, or activated carbon; and

“(iv) livestock methane.

“(B) EXCLUSIONS.—The term ‘biomass’ shall not include—

“(i) municipal solid waste that is incinerated;

“(ii) recyclable post-consumer waste paper;

“(iii) painted, treated, or pressurized wood;

“(iv) wood contaminated with plastics or metals; or

“(v) tires.

“(2) DISTRIBUTED GENERATION.—The term ‘distributed generation’ means reduced electricity consumption from the electric grid due to use by a customer of renewable energy generated at a customer site.

“(3) INCREMENTAL HYDROPOWER.—The term ‘incremental hydropower’ means additional generation achieved from increased efficiency after January 1, 2003, at a hydroelectric dam that was placed in service before January 1, 2003.

“(4) LANDFILL GAS.—The term ‘landfill gas’ means gas generated from the decomposition of household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as those terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.)).

“(5) RENEWABLE ENERGY.—The term ‘renewable energy’ means electricity generated from

“(A) a renewable energy source; or

“(B) hydrogen that is produced from a renewable energy source.

“(6) RENEWABLE ENERGY SOURCE.—The term ‘renewable energy source’ means—

“(A) wind;

“(B) ocean waves;

“(C) biomass;

“(D) solar;

“(E) landfill gas;

“(F) incremental hydropower; or

“(G) geothermal.

“(7) RETAIL ELECTRIC SUPPLIER.—The term ‘retail electric supplier’ means a person or entity that sells retail electricity to consumers, and which sold not less than 500,000 megawatt-hours of electric energy to consumers for purposes other than resale during the preceding calendar year.

“(8) SECRETARY.—The term ‘Secretary’ means the Secretary of Energy.

“(b) RENEWABLE ENERGY REQUIREMENTS.—

“(1) IN GENERAL.—For each calendar year beginning in Calendar year 2006, each retail electric supplier shall submit to the Secretary, not later than April 30 of each year, renewable energy credits in an amount equal to the required annual percentage of the retail electric supplier’s total amount of kilowatt-hours of non-hydropower (excluding incremental hydropower) electricity sold to retail consumers during the previous calendar year.

“(2) CARRYOVER.—A renewable energy credit for any year that is not used to satisfy the minimum requirement for that year may be

carried over for use within the next two years.

“(c) REQUIRED ANNUAL PERCENTAGE.—Of the total amount of non-hydropower (excluding incremental hydropower) electricity sold by each retail electric supplier during a calendar year, the amount generated by renewable energy sources shall be not less than the percentage specified below:

	Percentage of Renewable energy
“Calendar years:	Each year:
2006–2009 .....	5
2010–2014 .....	10
2015–2019 .....	15
2020 and subsequent years .....	20

“(d) SUBMISSION OF RENEWABLE ENERGY CREDITS.—

“(1) IN GENERAL.—To meet the requirements under subsection (b), a retail electric supplier shall submit to the Secretary either—

“(A) renewable energy credits issued to the retail electric supplier under subsection (f);

“(B) renewable energy credits obtained by purchase or exchange under subsection (g);

“(C) renewable energy credits purchased from the United States under subsection (h); or

“(D) any combination of credits under subsections (f), (g) or (h).

“(2) PROHIBITION ON DOUBLE COUNTING.—A credit may be counted toward compliance with subsection (b) only once.

“(e) RENEWABLE ENERGY CREDIT PROGRAM.—The Secretary shall establish, not later than 1 year after the date of enactment of this section, a program to issue, monitor the sale or exchange of, and track, renewable energy credits.

“(f) ISSUANCE OF RENEWABLE ENERGY CREDITS.—

“(1) IN GENERAL.—Under the program established in subsection (e), an entity that generates electric energy through the use of a renewable energy resource may apply to the Secretary for the issuance of renewable energy credits.

“(2) APPLICATION.—An application for the issuance of renewable energy credits shall indicate—

“(A) the type of renewable energy resource used to produce the electric energy;

“(B) the State in which the electric energy was produced; and

“(C) any other information the Secretary determines appropriate.

“(3) CREDIT VALUE.—Except as provided in subparagraph (4), the Secretary shall issue to an entity applying under this subsection renewable energy credit for each kilowatt-hour of renewable energy generated in any State from the date of enactment of this section and in each subsequent calendar year.

“(4) CREDIT VALUE FOR DISTRIBUTED GENERATION.—The Secretary shall issue 3 renewable energy credits for each kilowatt-hour of distributed generation.

“(5) VESTING.—A renewable energy credit will vest with the owner of the system or facility that generates the renewable energy unless such owner explicitly transfers the credit.

“(6) CREDIT ELIGIBILITY.—To be eligible for a renewable energy credit, the unit of electricity generated through the use of a renewable energy resource shall be sold for retail consumption or used by the generator. If both a renewable energy resource and a non-renewable energy resource are used to generate the electric energy, the Secretary shall issue renewable energy credits based on the proportion of the renewable energy resource used.

“(7) IDENTIFYING CREDITS.—The Secretary shall identify renewable energy credits by the type and date of generation.

“(8) SALE UNDER PURPA CONTRACT.—When a generator sells electric energy generated through the use of a renewable energy resource to a retail electric supplier under a contract subject to section 210 of the Public Utilities Regulatory Policies Act of 1978 (16 U.S.C. 824a-3), the retail electric supplier is treated as the generator of the electric energy for the purposes of this section for the duration of the contract.

“(g) SALE OR EXCHANGE OF RENEWABLE ENERGY CREDITS.—A renewable energy credit may be sold or exchanged by the entity issued the renewable energy credit or by any other entity that acquires the renewable energy credit. Credits may be sold or exchanged in any manner not in conflict with existing law, including on the spot market or by contractual arrangements of any duration.

“(h) PURCHASE FROM THE UNITED STATES.—The Secretary shall offer renewable energy credits for sale at the lesser of three cents per kilowatt-hour or 110 percent of the average market value of credits for the applicable compliance period. On January 1 of each year following calendar year 2006, the Secretary shall adjust for inflation the price charged per credit for such calendar year.

“(i) STATE PROGRAMS.—Nothing in this section shall preclude any State from requiring additional renewable energy generation in the State under any renewable energy program conducted by the State.

“(j) CONSUMER ALLOCATION.—The rates charged to classes of consumers by a retail electric supplier shall reflect a proportional percentage of the cost of generating or acquiring the required annual percentage of renewable energy under subsection (b). A retail electric supplier shall not represent to any customer or prospective customer that any product contains more than the percentage of eligible resources if the additional amount of eligible resources is being used to satisfy the renewable generation requirement under subsection (b).

“(k) ENFORCEMENT.—A retail electric supplier that does not submit renewable energy credits as required under subsection (b) shall be liable for the payment of a civil penalty. That penalty shall be calculated on the basis of the number of renewable energy credits not submitted, multiplied by the lesser of 4.5 cents or 300 percent of the average market value of credits for the compliance period.

“(l) INFORMATION COLLECTION.—The Secretary may collect the information necessary to verify and audit—

“(1) the annual electric energy generation and renewable energy generation of any entity applying for renewable energy credits under this section;

“(2) the validity of renewable energy credits submitted by a retail electric supplier to the Secretary; and

“(3) the quantity of electricity sales of all retail electric suppliers.

“(m) VOLUNTARY PARTICIPATION.—The Secretary may issue a renewable energy credit pursuant to subsection (f) to any entity not subject to the requirements of this section only if the entity applying for such credit meets the terms and conditions of this section to the same extent as entities subject to this section.

“(n) STATE RENEWABLE ENERGY GRANT PROGRAM.—

“(1) DISTRIBUTION TO STATES.—The Secretary shall distribute amounts received from sales under subsection (h) and from amounts received under subsection (k) to States to be used for the purposes of this section.

“(2) REGIONAL EQUITY PROGRAM.—

“(A) ESTABLISHMENT OF PROGRAM.—Within 1 year from the date of enactment of this section, the Secretary shall establish a program to promote renewable energy production and use consistent with the purposes of this section.

“(B) ELIGIBILITY.—The Secretary shall make funds available under this section to State energy agencies for grant programs for—

“(i) renewable energy research and development;

“(ii) loan guarantees to encourage construction of renewable energy facilities;

“(iii) consumer rebate or other programs to offset costs of small residential or small commercial renewable energy systems including solar hot water; or

“(iv) promoting distributed generation.

“(3) ALLOCATION PREFERENCES.—In allocating funds under the program, the Secretary shall give preference to—

“(A) States in regions which have a disproportionately small share of economically sustainable renewable energy generation capacity; and

“(B) State grant programs most likely to stimulate or enhance innovative renewable energy technologies.”.

**SA 772.** Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 159, after line 23, add the following:

**SEC. 211. RENEWABLE PORTFOLIO STANDARD.**

Title VI of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended by adding at the end the following:

**“SEC. 609. FEDERAL RENEWABLE PORTFOLIO STANDARD.**

“(a) DEFINITIONS.—In this section:

“(1) BIOMASS.—

“(A) IN GENERAL.—The term ‘biomass’ means—

“(i) organic material from a plant that is planted for the purpose of being used to produce energy;

“(ii) nonhazardous, cellulosic or agricultural waste material that is segregated from other waste materials and is derived from—

“(I) a forest-related resource, including—

“(aa) mill and harvesting residue;

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“(II) agricultural resources, including—

“(aa) orchard tree crops;

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“(aa) waste pallet;

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“(iii) animal waste that is converted to a fuel rather than directly combusted, the residue of which is converted to a biological fertilizer, oil, or activated carbon; and

“(iv) livestock methane.

“(B) EXCLUSIONS.—The term ‘biomass’ shall not include—

“(i) municipal solid waste that is incinerated;

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“(v) tires.

“(2) DISTRIBUTED GENERATION.—The term ‘distributed generation’ means reduced electricity consumption from the electric grid due to use by a customer of renewable energy generated at a customer site.

“(3) INCREMENTAL HYDROPOWER.—The term ‘incremental hydropower’ means additional generation achieved from increased efficiency after January 1, 2003, at a hydroelectric dam that was placed in service before January 1, 2003.

“(4) LANDFILL GAS.—The term ‘landfill gas’ means gas generated from the decomposition of household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as those terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.)).

“(5) RENEWABLE ENERGY.—The term ‘renewable energy’ means electricity generated from

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“(A) wind;

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“(E) landfill gas;

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“(7) RETAIL ELECTRIC SUPPLIER.—The term ‘retail electric supplier’ means a person or entity that sells retail electricity to consumers, and which sold not less than 500,000 megawatt-hours of electric energy to consumers for purposes other than resale during the preceding calendar year.

“(8) SECRETARY.—The term ‘Secretary’ means the Secretary of Energy.

“(b) RENEWABLE ENERGY REQUIREMENTS.—

“(1) IN GENERAL.—For each calendar year beginning in Calendar year 2006, each retail electric supplier shall submit to the Secretary, not later than April 30 of each year, renewable energy credits in an amount equal to the required annual percentage of the retail electric supplier’s total amount of kilowatt-hours of non-hydropower (excluding incremental hydropower) electricity sold to retail consumers during the previous calendar year.

“(2) CARRYOVER.—A renewable energy credit for any year that is not used to satisfy the minimum requirement for that year may be carried over for use within the next two years.

“(c) REQUIRED ANNUAL PERCENTAGE.—Of the total amount of non-hydropower (excluding incremental hydropower) electricity sold by each retail electric supplier during a calendar year, the amount generated by renewable energy sources shall be not less than the percentage specified below:

Percentage of Renewable energy	
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2006-2009 .....	5
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“(d) SUBMISSION OF RENEWABLE ENERGY CREDITS.—

“(1) IN GENERAL.—To meet the requirements under subsection (b), a retail electric supplier shall submit to the Secretary either—

“(A) renewable energy credits issued to the retail electric supplier under subsection (f);

“(B) renewable energy credits obtained by purchase or exchange under subsection (g);

“(C) renewable energy credits purchased from the United States under subsection (h); or

“(D) any combination of credits under subsections (f), (g) or (h).

“(2) PROHIBITION ON DOUBLE COUNTING.—A credit may be counted toward compliance with subsection (b) only once.

“(e) RENEWABLE ENERGY CREDIT PROGRAM.—The Secretary shall establish, not later than 1 year after the date of enactment of this section, a program to issue, monitor the sale or exchange of, and track, renewable energy credits.

“(f) ISSUANCE OF RENEWABLE ENERGY CREDITS.—

“(1) IN GENERAL.—Under the program established in subsection (e), an entity that generates electric energy through the use of a renewable energy resource may apply to the Secretary for the issuance of renewable energy credits.

“(2) APPLICATION.—An application for the issuance of renewable energy credits shall indicate—

“(A) the type of renewable energy resource used to produce the electric energy;

“(B) the State in which the electric energy was produced; and

“(C) any other information the Secretary determines appropriate.

“(3) CREDIT VALUE.—Except as provided in subparagraph (4), the Secretary shall issue to an entity applying under this subsection renewable energy credit for each kilowatt-hour of renewable energy generated in any State from the date of enactment of this section and in each subsequent calendar year.

“(4) CREDIT VALUE FOR DISTRIBUTED GENERATION.—The Secretary shall issue 3 renewable energy credits for each kilowatt-hour of distributed generation.

“(5) VESTING.—A renewable energy credit will vest with the owner of the system or facility that generates the renewable energy unless such owner explicitly transfers the credit.

“(6) CREDIT ELIGIBILITY.—To be eligible for a renewable energy credit, the unit of electricity generated through the use of a renewable energy resource shall be sold for retail consumption or used by the generator. If both a renewable energy resource and a non-renewable energy resource are used to generate the electric energy, the Secretary shall issue renewable energy credits based on the proportion of the renewable energy resource used.

“(7) IDENTIFYING CREDITS.—The Secretary shall identify renewable energy credits by the type and date of generation.

“(8) SALE UNDER PURPA CONTRACT.—When a generator sells electric energy generated through the use of a renewable energy resource to a retail electric supplier under a contract subject to section 210 of the Public Utilities Regulatory Policies Act of 1978 (16 U.S.C. 824a–3), the retail electric supplier is treated as the generator of the electric energy for the purposes of this section for the duration of the contract.

“(g) SALE OR EXCHANGE OF RENEWABLE ENERGY CREDITS.—A renewable energy credit may be sold or exchanged by the entity issued the renewable energy credit or by any other entity that acquires the renewable energy credit. Credits may be sold or exchanged in any manner not in conflict with existing law, including on the spot market or by contractual arrangements of any duration.

“(h) PURCHASE FROM THE UNITED STATES.—The Secretary shall offer renewable energy credits for sale at the lesser of three cents per kilowatt-hour or 110 percent of the average market value of credits for the applicable compliance period. On January 1 of each year following calendar year 2006, the Secretary shall adjust for inflation the price charged per credit for such calendar year.

“(i) STATE PROGRAMS.—Nothing in this section shall preclude any State from requiring additional renewable energy generation in the State under any renewable energy program conducted by the State.

“(j) CONSUMER ALLOCATION.—The rates charged to classes of consumers by a retail electric supplier shall reflect a proportional percentage of the cost of generating or acquiring the required annual percentage of renewable energy under subsection (b). A retail electric supplier shall not represent to any

customer or prospective customer that any product contains more than the percentage of eligible resources if the additional amount of eligible resources is being used to satisfy the renewable generation requirement under subsection (b).

“(k) ENFORCEMENT.—A retail electric supplier that does not submit renewable energy credits as required under subsection (b) shall be liable for the payment of a civil penalty. That penalty shall be calculated on the basis of the number of renewable energy credits not submitted, multiplied by the lesser of 4.5 cents or 300 percent of the average market value of credits for the compliance period.

“(l) INFORMATION COLLECTION.—The Secretary may collect the information necessary to verify and audit—

“(1) the annual electric energy generation and renewable energy generation of any entity applying for renewable energy credits under this section;

“(2) the validity of renewable energy credits submitted by a retail electric supplier to the Secretary; and

“(3) the quantity of electricity sales of all retail electric suppliers.

“(m) VOLUNTARY PARTICIPATION.—The Secretary may issue a renewable energy credit pursuant to subsection (f) to any entity not subject to the requirements of this section only if the entity applying for such credit meets the terms and conditions of this section to the same extent as entities subject to this section.

“(n) STATE RENEWABLE ENERGY GRANT PROGRAM.—

“(1) DISTRIBUTION TO STATES.—The Secretary shall distribute amounts received from sales under subsection (h) and from amounts received under subsection (k) to States to be used for the purposes of this section.

“(2) REGIONAL EQUITY PROGRAM.—

“(A) ESTABLISHMENT OF PROGRAM.—Within 1 year from the date of enactment of this section, the Secretary shall establish a program to promote renewable energy production and use consistent with the purposes of this section.

“(B) ELIGIBILITY.—The Secretary shall make funds available under this section to State energy agencies for grant programs for—

“(i) renewable energy research and development;

“(ii) loan guarantees to encourage construction of renewable energy facilities;

“(iii) consumer rebate or other programs to offset costs of small residential or small commercial renewable energy systems including solar hot water; or

“(iv) promoting distributed generation.

“(3) ALLOCATION PREFERENCES.—In allocating funds under the program, the Secretary shall give preference to—

“(A) States in regions which have a disproportionately small share of economically sustainable renewable energy generation capacity; and

“(B) State grant programs most likely to stimulate or enhance innovative renewable energy technologies.”.

**SA 773.** Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

At the appropriate point, insert the following:

**SEC. RENEWABLE PORTFOLIO STANDARD.**

Title VI of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended by adding at the end the following:

**“SEC. 606. FEDERAL RENEWABLE PORTFOLIO STANDARD.**

“(a) RENEWABLE ENERGY REQUIREMENT.—

“(1) IN GENERAL.—Each electric utility that sells electricity to electric consumers shall obtain a percentage of the base amount of electricity it sells to electric consumers in any calendar year from new renewable energy or existing renewable energy. The percentage obtained in a calendar year shall not be less than the amount specified in the following table:

“Calendar year	Minimum annual percentage
2008 through 2011 .....	2.5
2012 through 2015 .....	5.0
2016 through 2019 .....	7.5
2020 through 2030 .....	10.0

“(2) MEANS OF COMPLIANCE.—An electric utility shall meet the requirements of paragraph (1) by—

“(A) generating electric energy using new renewable energy or existing renewable energy;

“(B) purchasing electric energy generated by new renewable energy or existing renewable energy;

“(C) purchasing renewable energy credits issued under subsection (b); or

“(D) a combination of the foregoing.

“(b) RENEWABLE ENERGY CREDIT TRADING PROGRAM.—

“(1) Not later than January 1, 2005, the Secretary shall establish a renewable energy credit trading program to permit an electric utility that does not generate or purchase enough electric energy from renewable energy to meet its obligations under subsection (a)(1) to satisfy such requirements by purchasing sufficient renewable energy credits.

“(2) As part of such program the Secretary shall—

“(A) issue renewable energy credits to generators of electric energy from new renewable energy;

“(B) sell renewable energy credits to electric utilities at the rate of 1.5 cents per kilowatt-hour (as adjusted for inflation under subsection (g));

“(C) ensure that a kilowatt hour, including the associated renewable energy credit, shall be used only once for purposes of compliance with this section;.

“(D) allow double credits for generation from facilities on Indian Lands, and triple credits for generation from small renewable distributed generators, i.e., those no larger than one megawatt.

“(3) Credits under paragraph (2)(A) may only be used for compliance with this section for 3 years from the date issued.

“(c) ENFORCEMENT.—

“(1) CIVIL PENALTIES.—Any electric utility that fails to meet the renewable energy requirements of subsection (a) shall be subject to a civil penalty.

“(2) AMOUNT OF PENALTY.—The amount of the civil penalty shall be determined by multiplying the number of kilowatt-hours of electric energy sold to electric consumers in violation of subsection (a) by the greater of 1.5 cents (adjusted for inflation under subsection (g)) or 200 percent of the average market value of renewable energy credits during the year in which the violation occurred.

“(3) MITIGATION OR WAIVER.—The Secretary may mitigate or waive a civil penalty under this subsection if the electric utility was unable to comply with subsection (a) for reasons outside of the reasonable control of the utility.

“(4) PROCEDURE FOR ASSESSING PENALTY.—The Secretary shall assess a civil penalty under this subsection in accordance with the procedures prescribed by section 333(d) of the Energy Policy and Conservation Act of 1954 (42 U.S.C. 6303).

“(d) STATE RENEWABLE ENERGY ACCOUNT PROGRAM.—

“(1) The Secretary shall establish, not later than December 31, 2008, State renewable energy account program.

“(2) All money collected by the Secretary from the sale of renewable energy credits and the assessment of civil penalties under this section shall be deposited into the renewable energy account established pursuant to this subsection. The State renewable energy account shall be held by the Secretary and shall not be transferred to the Treasury Department.

“(3) Proceeds deposited in the State renewable energy account shall be used by the Secretary, subject to appropriations, for a program to provide grants to the State agency responsible for developing State energy conservation plans under section 363 of the Energy Policy and Conservation Act (42 U.S.C. 6322) for the purposes of promoting renewable energy production, including programs that promote technologies that reduce the use of electricity at customer sites such as solar water heating.

“(4) The Secretary may issue guidelines and criteria for grants awarded under this subsection. State energy offices receiving grants under this section shall maintain such records and evidence of compliance as the Secretary may require.

“(5) In allocating funds under this program, the Secretary shall give preference to States, in regions which have a disproportionately small share of economically sustainable renewable energy generation capacity; and to State programs to stimulate or enhance innovative renewable energy technologies.

“(e) RULES.—The Secretary shall issue rules implementing this section not later than one year after the date of enactment of this section.

“(f) EXEMPTIONS.—This section shall not apply in any calendar year to an electric utility.

“(1) that sold less than 4,000,000 megawatt-hours of electric energy to electric consumers during the preceding calendar year; or

“(2) in Hawaii.

“(g) INFLATION ADJUSTMENT.—Not later than December 31 of each year beginning in 2008, the Secretary shall adjust for inflation the price of a renewable energy credit under subsection (b)(2)(B) and the amount of the civil penalty per kilowatt-hour under subsection (c)(2).

“(h) STATE PROGRAMS.—Nothing in this section shall diminish any authority of a State or political subdivision thereof to adopt or enforce any law or regulation respecting renewable energy, but no such law or regulation shall relieve any person of any requirement otherwise applicable under this section. The Secretary, in consultation with States having such renewable energy programs, shall, to the maximum extent practicable, facilitate coordination between the Federal program and State programs.

“(i) DEFINITIONS.—For purposes of this section:

“(1) The term ‘base amount of electricity’ means the total amount of electricity sold by an electric utility to electric consumers in a calendar year, excluding—

“(A) electricity generated by a hydroelectric facility (except incremental hydropower); and

“(B) electricity generated through the incineration of municipal solid waste.

“(2) The term ‘existing renewable energy’ means, except as provided in paragraph (3)(B), electric energy generated at a facility (including a distributed generation facility) placed in service prior to the date of enactment of this section from solar, wind, ocean, current, wave, tidal or geothermal energy; biomass (as defined in section 504(b)); or landfill gas.

“(3) The term ‘new renewable energy’ means—

“(A) electric energy generated at a facility (including a distributed generation facility) placed in service on or after the date of enactment of this section from solar, wind, ocean, current, wave, tidal or geothermal energy; biomass (as defined in section 504(b)); landfill gas; or incremental hydropower; and

“(B) for electric energy generated at a facility (including a distributed generation facility) placed in service prior to the date of enactment of this section—

“(i) the additional energy above the average generation in the 3 years preceding the date of enactment of this section at the facility from solar, wind, or ocean energy; biomass (as defined in section 504(b)); landfill gas or incremental hydropower.

“(ii) the incremental geothermal production.

“(4) The term ‘distributed generation facility’ means a facility at a customer site.

“(5) The term ‘incremental hydropower’ means additional energy generated as a result of efficiency improvements or capacity additions made on or after the date of enactment of this section or the effective date of an existing applicable State renewable portfolio standard program at a hydroelectric facility that was placed in service before that date. The term does not include additional energy generated as a result of operational changes not directly associated with efficiency improvements or capacity additions. Efficiency improvements and capacity additions shall be measured on the basis of the same water flow information used to determine a historic average annual generation baseline for the hydroelectric facility and certified by the Secretary or the Federal Energy Regulatory Commission.

“(6) GEOTHERMAL ENERGY.—The term ‘geothermal energy’ means energy derived from a geothermal deposit (within the meaning of section 613(e)(2) of the Internal Revenue Code of 1986).

“(7) INCREMENTAL GEOTHERMAL PRODUCTION.—

“(A) IN GENERAL.—The term ‘incremental geothermal production’ means for any year the excess of—

(i) the total kilowatt hours of electricity produced from a facility (including a distributed generation facility) using geothermal energy, over

(ii) the average annual kilowatt hours produced at such facility for 5 of the previous 7 calendar years before the date of enactment of this section after eliminating the highest and the lowest kilowatt hour production years in such 7-year period.

“(B) SPECIAL RULE.—A facility described in subparagraph (A) which was placed in service at least 7 years before the date of enactment of this section commencing with the year in which such date of enactment occurs, reduce the amount calculated under subparagraph (A)(ii) each year, on a cumulative basis, by the average percentage decrease in the annual kilowatt hour production for the 7-year period described in subparagraph (A)(ii) with such cumulative sum not to exceed 30 percent.

“(j) SUNSET.—This section expires on December 31, 2030.”

**SA 774.** Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 159, after line 23, add the following:

**SEC. \_\_\_\_\_ . RURAL AND REMOTE COMMUNITY ELECTRIFICATION GRANTS.**

The Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended in title VI by adding at the end the following:

**“SEC. 609. RURAL AND REMOTE COMMUNITIES ELECTRIFICATION GRANTS.**

“(a) DEFINITIONS.—In this section:

“(1) The term ‘eligible grantee’ means a local government or municipality, peoples’ utility district, irrigation district, and cooperative, nonprofit, or limited-dividend association in a rural area.

“(2) The term ‘incremental hydropower’ means additional generation achieved from increased efficiency after January 1, 2005, at a hydroelectric dam that was placed in service before January 1, 2005.

“(3) The term ‘renewable energy’ means electricity generated from—

“(A) a renewable energy source; or

“(B) hydrogen, other than hydrogen produced from a fossil fuel, that is produced from a renewable energy source.

“(4) The term ‘renewable energy source’ means—

“(A) wind;

“(B) ocean waves;

“(C) biomass;

“(D) solar

“(E) landfill gas;

“(F) incremental hydropower;

“(G) livestock methane; or

“(H) geothermal energy.

“(5) The term ‘rural area’ means a city, town, or unincorporated area that has a population of not more than 10,000 inhabitants.

“(b) GRANTS.—The Secretary, in consultation with the Secretary of Agriculture and the Secretary of the Interior, may provide grants under this section to eligible grantees for the purpose of—

“(1) increasing energy efficiency, siting or upgrading transmission and distribution lines serving rural areas; or

“(2) providing or modernizing electric generation facilities that serve rural areas.

“(c) GRANT ADMINISTRATION.—(1) The Secretary shall make grants under this section based on a determination of cost-effectiveness and the most effective use of the funds to achieve the purposes described in subsection (b).

“(2) For each fiscal year, the Secretary shall allocate grant funds under this section equally between the purposes described in paragraphs (1) and (2) of subsection (b).

“(3) In making grants for the purposes described in subsection (b)(2), the Secretary shall give preference to renewable energy facilities.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$20,000,000 for each of fiscal years 2006 through 2012.”

**NOTICE OF HEARINGS/MEETINGS**

**SUBCOMMITTEE ON NATIONAL PARKS**

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that the hearing originally scheduled before the Subcommittee on National Parks of the Committee on Energy and Natural Resources for Tuesday, June 14th 2005, at 10 a.m. has been postponed and will be rescheduled for a later date.

For further information, please contact Tom Lillie at (202) 224-5161 or Brian Carlstrom at (202) 224-6293.

**COMMITTEE ON RULES AND ADMINISTRATION**

Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Tuesday,